What is claimed is:

- 1. A DNA molecule comprising an isolated DNA sequence encoding a V1-1 related protein.
- 2. A DNA molecule according to claim 1, wherein said DNA sequence is selected from the group consisting of:
 - (a) nucleotides #571 or #577 to #882 of SEQ ID NO:1; and
- (b) sequences which hybridize to (a) under stringent hybridization conditions and encode a V1-1 related protein which exhibits the ability to form tendon/ligament-like tissue.
- 3. A DNA molecule comprising the DNA sequence of claim 1 wherein said DNA sequence is selected from the group consisting of:
- (a) nucleotides encoding for amino acids #1 or #3 to #104 of SEQ ID NO:2;
- (b) in a 5' to 3' direction, nucleotides encoding a propeptide selected from the group consisting of native V1-1 propeptide and a BMP protein propeptide; and nucleotides encoding for amino acids #1 to #3 to #104 of SEQ ID NO:2; and
- (c) sequences which hybridize to (a) or (b) under stringent hybridization conditions and encode a V1-1 related protein which exhibits the ability to form cartilage and/or bone.
- 4. A host cell transformed with a DNA molecule according to claim 1.
 - 5. A host cell transformed with the DNA molecule of claim 2.
 - 6. A host cell transformed with the DNA molecule of claim 3.
- 7. An isolated DNA molecule having a sequence encoding a V1-1 protein which is characterized by the ability to induce the formation of tendon/ligament-like tissue, said DNA molecule comprising a DNA sequence selected from the group consisting of:
 - (a) / nucleotide #571 or #577 to #882 of SEQ ID NO:1; and
- (b) naturally occurring allelic sequences and equivalent degenerative codon sequences of (a).
 - 8. A host cell transformed with the DNA molecule of claim 7.
- 9. A vector comprising a DNA molecule of claim 7 in operative association with an expression control sequence therefor.
 - 10. A host cell transformed with the vector of claim 9.

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comprising the amino acid sequence from amino acid #1 or amino acid #3 to amino acid #104 as shown in SEQ ID NO:2.

- 17. A purified V1-1 related protein characterized by the ability to induce the formation of tendon/ligament-like tissue.
- 18. A pharmaceutical composition comprising an effective amount of the V1-1 related protein of claim 17 in admixture with a pharmaceutically acceptable vehicle.
- 19. A method for inducing tendon/ligament-like tissue formation in a patient in need of same comprising administering to said patient an effective amount of the composition of claim 18.
- 20. A pharmaceutical composition for tendon/ligament-like tissue healing and tissue repair said composition comprising an effective amount of the protein of a V1-1 related protein in a pharmaceutically acceptable vehicle.
- 21. A method for treating tendinitis, or other tendon or ligament defect in a patient in need of same, said method comprising administering to said patient an effective amount of the composition of claim 20.
- 22. A chimeric DNA molecule comprising a DNA sequence encoding a propeptide from a member of the TGF- β superfamily of proteins linked in correct reading frame to a DNA sequence encoding a V1-1 related polypeptide.
- 23. A chimeric DNA molecule according to claim 22, wherein the propeptide is the propeptide from BMP-2.
- 24. A heterodimeric protein molecule comprising one monomer having the amino acid sequence of the polypeptide of claim 14, and one monomer having the amino acid sequence of a protein of the $TGF-\beta$ superfamily.
- A method for inducing tendon/ligament-like tissue formation in a patient in need of same comprising administering to said patient an effective amount of a composition comprising a protein encoded by a DNA sequence selected from the group consisting of:
 - (\sqrt{a}) nucleotides #571 or #577 to #882 of SEQ ID NO:1;
 - (b) nucleotides #845 or #899 to #1204 of SEQ ID NO:3; and

- (c) sequences which hybridize to (a) or (b) under stringent hybridization conditions and encode a protein which exhibits the ability to form tendon/ligament-like tissue.
- 26. A method for inducing tendon/ligament-like tissue formation in a patient in need of same comprising administering to said patient an effective amount of the composition comprising a tendon/ligament-like tissue inducing protein having an amino acid sequence selected from the group consisting of:
 - (a) amino acids #1 or #3 to #104 of SEQ ID NO:2;
 - (b) amino acids #1 or #19/ to #120 of SEQ ID NO:4;
- (c) mutants and/or variants of (a) or (b) which exhibit the ability to form tendon and or ligament.
- 27. A pharmaceutical composition for tendon/ligament-like tissue repair, said composition comprising an effective amount of a V1-1 related protein in a pharmaceutically acceptable vehicle.
- 28. A method for treating tendinitis, or other tendon or ligament defect in a patient in need of same, said method comprising administering to said patient an effective amount of the composition of claim 27.